



General Assembly

Substitute Bill No. 480

February Session, 2008

* SB00480INS__031308__ *

AN ACT CONCERNING CHARITABLE GIFT ANNUITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-1031 of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2008*):

3 [(a) The issuance of a qualified charitable gift annuity shall not
4 constitute engaging in the business of insurance in this state.

5 (b) A charitable gift annuity issued before October 1, 1999, is a
6 qualified charitable gift annuity for the purposes of sections 38a-1030
7 to 38a-1034, inclusive, and the issuance of that charitable gift annuity
8 shall not constitute engaging in the business of insurance in this state.]

9 (a) Each charitable organization that issues a charitable gift annuity
10 or qualified charitable gift annuity shall, prior to entering into an
11 agreement for the issuance of such annuity, provide to the donor a
12 separate written disclosure statement describing the nature and scope
13 of such annuity in conspicuous type.

14 (b) The Insurance Commissioner shall adopt regulations, in
15 accordance with the provisions of chapter 54, to establish the content
16 and format of such disclosure statement.

17 Sec. 2. Section 38a-1032 of the general statutes is repealed and the

18 following is substituted in lieu thereof (*Effective October 1, 2008*):

19 (a) When entering into an agreement for a qualified charitable gift
 20 annuity, the charitable organization shall disclose to the donor in
 21 writing in the annuity agreement that a qualified charitable gift
 22 annuity is not insurance under the laws of this state and is not [subject
 23 to regulation by the Insurance Commissioner or] protected by an
 24 insurance guaranty association, and shall include a separate disclosure
 25 statement, as set forth in section 38a-1031, as amended by this act.

26 (b) The notice provisions required by this section shall be in a
 27 separate paragraph in a print size no smaller than that employed in the
 28 annuity agreement generally.

29 Sec. 3. Section 38a-1034 of the general statutes is repealed and the
 30 following is substituted in lieu thereof (*Effective October 1, 2008*):

31 [The failure of a charitable organization to comply with the] If a
 32 charitable organization fails to comply with the notice requirements
 33 imposed under section 38a-1032, as amended by this act, or 38a-1033,
 34 [shall not prevent a charitable gift annuity that otherwise meets the
 35 requirements of sections 38a-1030 to 38a-1034, inclusive, from
 36 constituting a qualified charitable gift annuity. The] the Insurance
 37 Commissioner may [enforce performance of the requirements of
 38 sections 38a-1032 and 38a-1033 by sending a letter by certified mail,
 39 return receipt requested, demanding that the charitable organization
 40 comply with the requirements of sections 38a-1032 and 38a-1033. The
 41 commissioner may] fine the charitable organization in an amount not
 42 to exceed [one] ten thousand dollars per qualified charitable gift
 43 annuity agreement issued until such time as the charitable
 44 organization complies with the requirements of sections 38a-1032, as
 45 amended by this act, and 38a-1033.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2008</i>	38a-1031
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Sec. 2	<i>October 1, 2008</i>	38a-1032
Sec. 3	<i>October 1, 2008</i>	38a-1034

INS *Joint Favorable Subst.*